

TRANSCRIPT

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TRANSCRIPT OF NEW HAMPSHIRE FARM BILL FORUM WITH USDA UNDER SECRETARY FOR RURAL DEVELOPMENT TOM DORR AND MODERATOR FRED KOCHER MANCHESTER, NEW HAMPSHIRE, OCTOBER 25, 2005

MODERATOR: Welcome to the New Hampshire Farm Bill forum on the 2007 Farm Bill. I'm not a farmer myself, but I have great respect for all of you. And I have great respect for the farming profession, and I call it a profession.

Now I want to announce the entrance of the Manchester Center High School Color Guard who will post the colors.

[color guard performs]

Let me introduce 4-H members Charles Aznive, member of the Merrimack County 4-H Junior Leaders, and Cacia and Morgan King, members of the Epping Imaginers 4-H Club, who will recite the Pledge of Allegiance.

[Pledge of Allegiance is recited]

Kalie Cronin, a junior at Manchester High School, will sing the National Anthem.

[National Anthem is sung]

MODERATOR: Thank you, all. Please be seated. I now want to introduce to you Congressman Jeb Bradley from the First Congressional District of New Hampshire. Congressman Bradley has been a frequent guest on my business show on Channel 9 each week while he was a state legislator and now is a congressman. And we are lucky to have him with us this morning.

Congressman?

REP. JEB BRADLEY: Good morning. Thank you for hosting this event. We may not have the renown for agriculture that the Midwestern states have, but it's interesting when I look in this room and see some of you I know and others I don't. Obviously we're known for maple syrup, one of my favorite things. Our dairy herds are famous and our blueberry crop is very significant, not just in New Hampshire but in New England -- cranberries, agricultural products. Horticulture is a huge issue, nearly \$500

million of economic value added to the state in greenhouses and nursery products.

So agriculture is very important to our state, and we are the Live Free or Die state. We have this as a heritage even though it may not be the most overall proponent of our economy -- I see Charlie Niebeling and Jason Stock.

Certainly up in my neck of the woods, the forest products industry is a huge component of the North Country.

So we're grateful, I all of us in New Hampshire, that you're here today to take public input on the next Farm Bill so those of us from the Northeast can have our points of view better represented. So thank you very much.

M: Thank you, Congressman. Nice to have you here.

Let me recognize four people. I don't know if all are still here but they certainly were here during the coffee hour just before this. Executive Counselor Ray Wieczorek, the governor's executive counselor was here. State Senator Gatsas of Manchester, State Senator Martin of Nashua and Representative Tom Buco of Conway. Are any of them still here? Yes. Tom Buco. Dave Babson? Nice to have you here, Dave.

Okay. Now let me recognize -- because I used to be one of these, a congressional staffer. I worked for Warren Rudman for 12 years when he was in the U.S. Senate. Let me introduce the staff from the congressional offices.

Richard Lougee and Matt Leahy from Senator Gregg's office. Simon Thomson and Melissa Ogle from Senator Sununu's office. Jennifer Warren from Congressman Bass's office, and Brian Miller and Rick Richardson from Congressman Bradley's office. Nice to have you all here.

Now let me introduce to you somebody who as far as I'm concerned is an institution in New Hampshire. I don't know if there's a commissioner that's been a commissioner in New Hampshire for any longer than Steve Taylor. Dick Flynn -- oh that's right. (laughter) I think I'm going to hear from Dick Flynn. Anyhow, Steve Taylor is, as you all know well, our commissioner of Agriculture. He's here in full regalia, and he's about to introduce our very special guest.

Commissioner.

COMMISSIONER STEVE TAYLOR: Thank you, Fred. Thank you, everyone for coming today. I've asked the under secretary to please bring us some sunshine before winter closes in. We could use it.

This is a rare occasion when a person as high in office as our Under Secretary Dorr comes to New Hampshire and sits down and listens to our concerns. This is a great opportunity for us to have input on the development of the 2007 Farm Bill which is

certain to have very profound effects on all aspects of agriculture in our state.

So I urge you to take this opportunity to get your two cents worth in, and I know they also accept written testimony, and that the USDA is open to written testimony almost indefinitely now, as the Farm Bill is being developed.

Anyway, we have a number of people anxious to speak, so I will not ramble on. I will go directly to introduce our Under Secretary Thomas C. Dorr. He was appointed by President George W. Bush to be Under Secretary for Rural Development, and he was sworn into office by Agriculture Secretary Mike Johanns on July 27 of this year.

As under secretary, Mr. Dorr oversees USDA Rural Development policies and programs. Rural Development consists of three program areas -- business, utilities, and housing that provide \$14 billion annual funding authority for loans, grants, and technical assistance to rural businesses, communities, for housing and infrastructure to rural America.

Rural Development has over 7,000 employees located across the United States and in Puerto Rico, the Virgin Islands, and the Western Pacific Trust Territories. Mr. Dorr previously served as Under Secretary for Rural Development under a recess appointment from August 2002 to December 2003. After his recess appointment ended, he was named senior advisor to the Secretary for Rural Development issues.

In this position Mr. Dorr coordinated several major initiatives on behalf of the Secretary. He played critical roles in USDA disaster relief efforts in response to the hurricanes in Florida. He worked closely with the Assistant Secretary for Civil Rights to reach out to minority farmers, and he provided key leadership on various activities to improve program management and business practices throughout USDA.

Mr. Dorr has broad agricultural, financial, and business experience. He has served as a member of the board of directors of the Seventh District Federal Reserve Bank of Chicago, the Iowa Board of Regents from 1991 to 1997, and as a member and officer of the Iowa and National Corn Growers Association.

Prior to his current service at the Department of Agriculture, Mr. Dorr was the president of a family agribusiness company consisting of a corn and soybean farm, a state licensed commercial grain elevator and warehouse, and two limited liability companies.

He's from Marcus, Iowa, and he graduated from Morningside College with a bachelor of science degree in business administration. He's married to Ann Dorr, and he has two children. Please make Under Secretary Dorr welcome to New Hampshire.

[Applause]

UNDER SECRETARY FOR RURAL DEVELOPMENT: Thank you. Thank you, Steve and Fred for those kind words and the delightful introduction. It's more than

needs to be said. I can't tell you though how much I appreciate these youngsters that were here—Kalie, who sang the National Anthem, the Honor Guard. I was looking through here; they're from Merrimack County 4-H, from the Epping Imaginers 4-H Club, Manchester Center High, Pinkerton Academy. They're terrific. They're from all over the area. I don't know how big an area this is. But it's great that you have young people that are still actively engaged in this.

You know, I have to make a couple of observations very quickly. I've done several of these Farm Bill forums, and usually they put us up on these bar stools, and so my feet never touch the ground. I can't tell you how much I appreciate these good chairs. To sit up here for three hours on a barstool is a bit much. It's delightful.

The other observation I made earlier this morning was, really, coming from Iowa there ought to almost be a sister state relationship between New Hampshire and Iowa, given their very intimate involvement with determining who, frequently, the candidates for president are going to be over the years. So there's a lot of connection; although our agricultural bases may be somewhat dissimilar. We don't have many forests, but there are a lot of other connections.

But it really is great to be here, and as I started out saying I'm particularly delighted that there's so many young people here because they're the future. The future of the next generation of rural America is the one thing we really are all about. That's what we hope to discuss some today, and it may be, in fact, relative to rural America, one of the most important things we discuss.

This as you know is what we call the Farm Bill forum. We're looking specifically toward the next Farm Bill, which will be written, as the Congressman knows, in the year 2007. Forums like this are actually being held all over the country, and I believe ultimately it's our intent to have one in all the 50 states. To date we've had over 30 of these, and I've done, I think, five or six myself. The purpose is to give as many people as possible a chance to join in the discussion. Frequently many of you don't have the opportunity to get to Washington and engage in these discussions, and as a result this is the purpose.

This process is still underway, but I can tell you that at virtually every forum, issues related to young people are at the center of the debate. This sometimes surprises people. The challenges facing young farmers in how to make production agriculture a viable opportunity for the next generation; the ability of rural communities to provide good jobs off the farm for young people who might like to stay at home after high school or come back after they attend college; or the ability of rural communities to provide good schools, quality healthcare for these young people, as well as the social and recreational and cultural opportunities that attract them back to these rural communities.

But that's just a start. There is a lot more. We're vitally concerned with maintaining U.S. competitiveness in the global markets. For many years now certainly since I was born, U.S. agriculture was viewed as the pacesetter in the world. We'd all

gotten used to that idea.

Not so long ago when I was young and even as a middle-aged Iowa farmer, many of us, including some of the experts, thought exports would be the solution to just about any problem we were dealing with in rural America and particularly in agriculture. But while a lot of people weren't looking, America unleashed a secret weapon on the world. His name is Norman Borlaug, who I'm proud to note was an Iowa farm boy who went to college in Minnesota and got his start at USDA in the Forest Service.

Although he's 91 years old today, his mind is every bit as bright and alert as it was when he started college. Dr. Borlaug, as I'm sure most of you know, is popularly known as the Father of the Green Revolution. He was awarded the 1970 Nobel Peace Prize for his enormous contributions in that field. And he is a national hero in countries around the world.

Of course Dr. Borlaug is not alone in that profession. He had a lot of company in the agricultural sciences. Many thousands of people have taken the time to contribute to transforming agriculture beyond the wildest dreams of our forefathers. In a single lifetime we've actually gone from plowing behind a mule to gene-splicing, in a single lifetime. The bottom line is that we've taught much of the rest of the world to feed itself. This is one of the greatest triumphs of human history, but it also means we have an incredibly competitive environment for American farmers.

It means that we can't take anything for granted. We need to pay serious attention to the agricultural markets, to ag education, to new business models, new markets, product development, and new technologies. They are important Farm Bill issues. We're concerned with the farm support system that provides stability for current producers, but we're also concerned with the cost to consumers and taxpayers, about the fairness of the benefit structure and about the tendency of these subsidies to get capitalized into land costs, which many times creates barriers for young farmers just starting out.

The Farm Bill is going to need to sort through all these issues. So last but not least, we recognize that rural policy nowadays extends far beyond the farm. We're concerned for example, with conservation and a cleaner environment. That's a Farm Bill issue. We see extraordinary opportunities opening up in alternative fuels and renewable energy, everything from ethanol to biodiesel to wind, biomass, solar, and geothermal. These are Farm Bill issues.

We recognize that the quality of life in rural communities depends on good schools, access to healthcare, access to broadband, a diversified economic base, and more jobs. That's a Farm Bill issue.

So we have a full plate. I'm particularly pleased that Congressman Bradley joined us today as well as staff for Congressman Bass and Senator Sununu's and Senator Gregg's offices. But I hope I'm not leaving anyone out. However, Congress has some tremendously important policy calls that they're going to have to make in this next Farm

Bill. And it's our view that we hope to make this your opportunity to help guide them as well.

My role today after these few remarks is largely to sit back and listen to what you have to say. Also here and listening are Robb Thomson, our state executive director for FSA. Robb, where are you at? In the back. We also have with us Theresa Chadwick from the state NRCS office. And Jolinda LaClair in the back is our state Rural Development director. I'd like to make one quick comment that if you have things that are specifically related to your farm or to specific programs, we'd encourage you to contact them here today or some of their staffs.

But nevertheless I'd like to thank the three of them for the outstanding work they do, not just here leading the USDA team but throughout New Hampshire, and for the leadership they provide us at the national level. We are a team. The Farm Bill effectively involves issues touching every aspect of rural America, and all of us are looking forward to what you have to say today.

So let me simply conclude by saying that amongst all of this I am sincerely, I mean this as sincerely as I can anything, that I am an unabashed optimist for rural America. I truly see a bright future for rural America in a general sense. I've had the wonderful opportunity to travel all over this country to attend grant presentations, groundbreakings, ribbon cuttings, community development events in rural areas all across the country. I see on a firsthand basis the level of activity that's going on. I see the hopes and aspirations of so many who have decided to make rural America their home. And I see quite frankly many times these opportunities being realized.

Very often I get a chance to meet people who have chosen to return to rural America for the quality of life, a saner place to live, a better place to raise their kids, and frequently to be with their families in a more close proximity. Many of these are people with abundant options with advanced degrees, with high-powered big city careers who have chosen to come home to rural America.

Sometimes it's just simply because the Internet has given them the flexibility to work from wherever they like, or perhaps they're drawn by an entrepreneurial opportunity or second career. Sometimes they're retirees who simply bring a lifetime of skills and resources back to a new community. But whatever the reasons, more and more people are today calling rural America home. The next Farm Bill is truly an opportunity to help empower these choices and to make rural America an even better place to live, to work and to raise a family.

Thank you all very, very much for coming. I truly do look forward to all of your comments and your remarks, your guidance, and your discussion today. I sincerely appreciate your taking the time out of your schedules although I can't imagine what a farmer would want to be doing outside today in this weather. So I think we gave you a great excuse. But thank you very, very much for coming. And I look forward to your remarks.

[Applause.]

MODERATOR: I'm struck by Under Secretary Dorr's reference to gene-splicing and broadband and solar energy because one of my other hats in New Hampshire is I'm president of the New Hampshire High Technology Council, and just occurred to me as he's talking that we ought to include the agriculture community in this council. Frankly right now it's now. So I think I just learned something. I'm going to make a move to do that.

UNDER SECRETARY DORR: We have invested almost \$200 million in the last four years in renewable energy initiatives alone out of USDA. When I say invest, these are not grants. Usually these are loans or loan guarantees to entrepreneurs in rural communities across the country. So I'd encourage you to do that. I think it's a great idea.

MODERATOR: Thank you. Now let me explain the format. Congressman Bradley, by the way, you're welcome to join us but I think you may have to leave.

REP. BRADLEY: I have a flight to catch in a few minutes. I can hear a couple of comments.

MODERATOR: Good. Thank you. Let me explain the format we're going to follow here. You see the four mikes across the front of the room; we're going to use those although there is a hand-held mike in case some of you cannot get to the floor mikes. We have a handheld mike and all you have to do is put up your hand.

Comments will be limited to two minutes per person to allow the maximum number of people here to comment. No matter how strongly you feel about an issue, we'd appreciate it if you were civil about your comments. There's a red, yellow, and green light system right in front of me here so I can keep track of two minutes. Once the yellow light flashes you have 30 seconds to finish up. And then I'll call you, and if you're right in the middle of a thought we might give you another 10 or 15. But that's it.

If a member of the audience cannot get, as I said, to one of the mikes we'll give you a hand-held mike. When you make your comments would you give your name, the city and state where you reside, because there may be some people here not from New Hampshire, and your involvement with the agriculture community or your connection the Farm Bill.

For your information, comments on the six questions I'm about to outline for you that we're going to focus on today can also be given over the Internet. You can give the comments over the Internet through the USDA website, and that will carry the same weight as the comments received today. That website address is very easy. It's WWW.USDA.GOV.

Now here are the six questions we're going to focus on for the first part of this

forum. Number one, how should farm policy address any unintended consequences and ensure that such consequences do not discourage new farmers and the next generation of farmers from entering production agriculture?

Number two, how should farm policy be designed to maximize U.S. competitiveness and our country's ability to effectively compete in global markets?

Number three, how should farm policy be designed to effectively and fairly distribute assistance to producers?

Four, how can farm policy best achieve conservation and environmental goals?

Five, how can federal rural and farm programs provide effective assistance in rural areas?

Finally number six, how should agricultural product development marketing and research-related issues be addressed in the next Farm Bill?

Now let's begin. Those are the six questions we're going to focus on for the first part. Later on we'll get to some general comments, but I'll let you know when that time comes. Before we go to you for your comments I want to hear from a couple younger members, the younger generation farmers and one older farmer. He may take exception to that.

Let me call first on Jessica Nappo, who is a New Hampshire FFA member and a senior of Pinkerton Academy, to speak first by providing a two-minute answer to the following question and it's question one: How should farm policy address any unintended consequences that discourage the next generation of farmers from entering production agriculture? Jessica.

MS. JESSICA NAPPO: Thank you, Mr. Moderator. And thank you all for inviting the Granite State FFA to this listening forum. It's a pleasure for us to be here this morning.

Firstly, how should the Farm Bill address any unintended consequences that may be perceived as discouraging to the next generation of farmers from production agriculture?

Many sections of the Farm Bill support the future of farming such as the new [inaudible] rule for beginning farmers and also for reauthorization and establishment of new agricultural researchers and extension programs. The Farm Bill should address any unintended consequences that may be perceived as discouraging to the next generation of farmers -- perhaps by making sure that the generation has some input and has the opportunity to have their voices heard.

The FFA students involved in agriculture programs, activity, and curriculums are

willing to provide input and accept the legacy and education that seasoned farmers can offer. Additionally, FFA with its national membership may fully reflect the needs and concerns of the next generation of the United States agriculturalists. The FFA can be a vehicle to realize the consensus of opinions and views that may pertain to the youth of the future generation of farming and additionally encourage the involvement of future Farm Bill policy.

It is in venues such as these that we will assure that the next generation is encouraged to pursue one of our nation's most important callings-- the pursuit of agriculture. Thank you very much.

MODERATOR: Thank you, Jessica.

[Applause.]

Now let me call on Becky Davis from Madbury, New Hampshire, a former 4-H member and a sophomore at the University of New Hampshire majoring in equine science. She will give a two-minute response to the same question.

MS. BECKY DAVIS: Thank you. Competence, confidence, connection, character, and caring. These are the five characteristics that a research project found to be the most influential and successful growth. What better way to mold the youth of today into the successful agricultural producers of tomorrow than through 4-H?

4-H takes to heart the five characteristics that I have already mentioned, and I would like to briefly discuss each.

Competence is essential in any agricultural field. 4-H allows youth the ability to master a subject. I worked hard to learn about livestock anatomy and physiology. Frankly I find some of my courses at the university a little bit easy. I owe that privilege to the competence that I developed in 4-H.

In order to make agriculture one must certainly be confident. They must be confident in their product, confident enough to take risks. Confident enough to be a farmer in the early morning, a salesman in the afternoon, and a businessman at night. 4-H teaches youth to be strong and confident through competition, public speaking presentations, camps, and conferences, just to name a few venues.

Connection is the ability to know where to go to get assistance. A well-connected individual has a good base behind them. If they have a question they can consult a variety of people and sources such as the Internet, books, businesses. The ability to do this is one readily taught in 4-H.

Character is a tough subject when you are young. The pressure to fit one image and to be cool bombards you. They get it from school, the media, friends. Some youth are so driven by this message that they resort to drugs and violence. In 4-H youth learn

that they can be whoever they want to be, and that to be an individual is the best.

There are currently 7 million youth involved nationwide in 4-H -- 28,000 in New Hampshire. I'm sure that it has touched off in each and every one of them an interest in agriculture. The funding for this program is essential because the youth of today are tomorrow's future. When we wonder why more youth are not entering the agricultural fields, let's think of a solution and let's find that solution in 4-H. Thank you.

[Applause.]

MODERATOR: Thank you, Becky. I see Congressman Charlie Bass has just entered the back of the room, so we're going to stop the testimony for a minute, and I know the Congressman has to catch a plane if planes are flying, Congressman. Come on up. Nice to have you here.

[Applause.]

REP. CHARLES BASS: Well thank you very much. This is a really wonderful opportunity, and Congressman Bradley, and I as I'm sure he mentioned, wrote Agriculture Secretary Johanns hoping that he'd hold one of these field hearings in New Hampshire. Some of you may know, some may not know, two things about me in particular.

I grew up on a farm and until Clarence Jones who ran the farm for us from 1964 until about six or seven years ago. I was the guy that was out there in the middle of winter, when he was in bad shape, tending to the cattle, cows, and I certainly understand what it's like to pitch hay during the summertime-- although I understand the price of hay is way up these days compared to how we used to get about \$2.75 a bale for a decent bale, and you'd work all summer long, and you'd end up with about \$3,000 or \$4,000. And certainly you learned very quickly that it isn't easy making a living in New Hampshire in agriculture in those circumstances.

Secondly, my stepmother has been running the second largest organic truck farming business in New Hampshire now for 20 or more years, and that is yet another example of how difficult it is to make ends meet so to speak in agriculture, but it works for her. She loves it. And we really love the land in Peterborough.

Now let me just make a couple of observations. First of all, thank you all for being here. The Department of Agriculture has a very long history, an important history, in the United States. I think those of us in New Hampshire may feel on occasion, however, that it tends to focus, perhaps justifiably, on the agricultural industry that's outside New England, even though the birthplace of agriculture in this country is probably in New Hampshire in the states around us.

So I think it's great that the agency is up here listening to us with our own particular problems, be they pasture issues or organic farming issues or milk issues or

basically the need for agriculture in this country to remember its diversity and understand that in an economy we're 99.9 percent dependent on energy, oil, natural gas or fertilizer and so forth, it's important that we be able to produce commodities and food and raise animals in a somewhat more organic environment than that which is occurring all over the country.

I have to recognize Jolinda LaClair who's sitting at the end of the aisle. She is a powerhouse in this region, helping communities on an economic level, in areas where no other federal agency would ever be interested or involved, and making a really big difference in small communities like Berlin and Hanover and others. So USDA is more than we realize, and I think the fact that we have the under secretary here today to listen is really helpful in guiding this agency as it moves forward. So thank you so much for giving me a minute or two to speak, and good luck on the conference.

MODERATOR: Thank you, Congressman. Nice to see you.

[Applause.]

The congressman made a very good point. For 12 years I was with Warren Rudman on his staff. It was rare that a federal agency and at this level came to New Hampshire to listen. So this is very significant, and I know you're going to take advantage of it here in just a minute.

But before we open it up to all of you, let me call on Jamie Robertson, a 4-H leader, a dairy farmer from Contoocook. He's going to give a two-minute response to the same question that was answered by Becky and Jessica.

MR. JAMIE ROBERTSON: Thank you very much. I'm a dairy farmer from Contoocook, New Hampshire, and we milked a couple hundred cows there down on the river with my wife and her family. I have a tiny 4-H club. And I'm a 4-H product and not just because I grew up through 4-H but my folks, actually one from a little tiny farm town up in Northern New Hampshire and one from a little tiny farm town in southwestern New Hampshire, met at the national conference in Chicago. And I'm the third one, but and there's one more.

But 4-H is an extremely important aspect of USDA and Cooperative Extension, and the funding for 4-H and Cooperative Extension is a must. And the reason I say that is because as now I'm a larger operation, and as Fred referred to, an older farmer now -- I think that's the first time -- hair goes, and that's what happens I guess.

But as an established operation we have all kinds of experts knocking on our doors all the time trying to push information to us, technology to us, which is great. But as a young person just starting out, Extension is what really they count on. They aren't a big account.

The Extension funding is just the 4-H background that sends you to the university

because you've been introduced to it since you were seven years old-- that 4-H, the research and development funding that needs to continue and be increased through our Land Grant Universities that can work hand in hand with Extension, both in getting the information out after it's been researched and also collecting the research and development.

I mean 4-H came because we had to get the crusty old farmers to take university information and use it, and we went to their kids because they accepted it. When their crops got better than Dad's, Dad said,"Hmm, maybe Cooperative Extension is something I need to look into."

And 4-H played a huge role and can continue to play that huge role. And that's what we need. We need education funding and research funding. Thank you.

[Applause.]

MODERATOR: Thank you, Jamie. Now let's open this forum up to all of you. If you have an opinion to share on one of those six questions I listed earlier, make your way to the microphone, any one of the four microphones on the floor, and we will start the process of listening to your comments. Remember, it's two minutes. If you give your name, where you're from, where you live, and your connection to agriculture I'd appreciate it. Sir?

MR. DAVID BABSON: Thank you. Thank you, Under Secretary, for coming up here today, and just a quick reminder, as you sit there, we in New Hampshire always think our feet are on the ground. So.

David Babson. I raise a few large animals. I'm chairman of the Legislative Agriculture and Environment. Very briefly sir, we really need to have veterinary medicine funded in this state. We are just about the central part of the state. If you eliminate equine medicine from here north, there's only one or two veterinarians that work on large animals. That's an awful lot of territory to cover.

If you can, don't even wait until 2007. I believe the 2000 had one dollar in it. That was it. We need the funding and we need veterinarians, or you won't have any rural communities. Thank you, sir.

[Applause.]

MODERATOR: Thank you. I'm going to go right across the room in turn. Sir, right here.

MR. BILL TRUMBLE: Under Secretary Dorr, good morning. Welcome to New Hampshire. I'm Bill Trumble. I'm from the town of Madbury. I'm the dean of the College of Life Sciences and Agriculture at the University of New Hampshire and the director of the New Hampshire Agricultural Experiment Station.

The farms in New Hampshire are growing again. We have more of them. But they're different than they were a number of years ago. And now agriculture, that's new or changing or innovative or facing challenges, responding to crises, has long looked to the Land Grant University system for help, and it's critical that help continues, in my opinion.

The authority for this research and education partnership between the federal government and the Land Grant Universities is through the Farm Bill. And so foundation funding, often called formula funds, include Hatch, McIntire-Stennis, Animal Health, Smith-Lever, Evans-Allen. These are important sources of help to all of us in this state. As you know, the Bush administration this year recommended eliminating Hatch and McIntire-Stennis funding.

I'd like to just explain briefly what would be saved and what would be lost in New Hampshire by making it change this way. If Hatch and McIntire-Stennis funds were eliminated and the state were to withdraw its matching funds, the College of Life Sciences and Agriculture would lose a quarter of its current faculty, complete support for 35 graduate students in the college, completely close its farm properties, and eliminate hands-on undergraduate agricultural classes, no longer be able to fund over 85 research projects supported through the New Hampshire Agricultural Experiment Station, no longer be able to rapidly respond to new crises and challenges.

MODERATOR: Your two minutes is up, but I'm going to give you another 30 seconds because what you're saying is quite important.

MR. TRUMBLE: Thank you. Sorry I'm going a little long. I'll rush. What the federal government would save would be less than the cost of one waterfront house at Rye or Squam Lake. What we would lose would be enormous. You can't replace these base fundings for infrastructure such as farms with either competitive or regional funds. I'd like to just say in closing that the U.S. has benefited greatly from the Land Grant partnership and a successful formula doesn't seem to be one that we would want to change. Thank you very much for coming.

MODERATOR: Thank you, sir. Thank you.

Sir?

MR. TIM O'CONNELL: Thank you, Mr. Moderator. For the record, my name is Tim O'Connell. I'm vice chairman of the Environment and Agriculture Committee in the New Hampshire House of Representatives.

Mr. Under Secretary, we in New Hampshire agriculture are thrilled to have you here this morning to provide us the opportunity to provide input into the evolution of the 2007 Farm Bill. As a New Hampshire vegetable grower, a New Hampshire legislator, and an executive board member of the New England Vegetable and Berry Growers

Association, I'd like to focus on some of those six areas that are important to us and merit your consideration.

First of all, World Trade Organization green box compliant initiatives such as streamlined and consolidation of NRCS conservation programs, regional marketing and infrastructure, especially involving processing and distribution, public and private research and development opportunities for profitable agriculture and a competitive global economy.

The second area I feel would be revised: risk management programs similar to the pilot AGR [Adjusted Gross Revenue] program which would better meet the needs of New Hampshire's diverse commodity mix and still remain affordable on our smaller acreage.

Healthy food initiatives such as the Farmers Market Nutrition Program and the Square Meals Program recently implemented in the Texas school systems.

Rural Development initiatives, especially for telecommunications, but also healthcare infrastructure.

New marketing opportunities for product development and agricultural promotion through Farm Service Agency and block grants such as the Specialty Crop Competitiveness Act that was proposed, and I believe, signed in 2004.

A reliable labor source for larger fruit and vegetable growers that could continue to be provided by a revised H2A program. A reasonable safety net for our pressured dairy industry, not unlike the threatened MILC program and its recent extension.

MODERATOR: Sir, your two minutes is up but I'll give you another 30 seconds.

MR. O'CONNELL: Okay. Finally the maintenance and support of the essential partnership between USDA and the state of New Hampshire through our land grant college, the University of New Hampshire, and, as already mentioned, our New Hampshire Cooperative Extension, both of which we feel are vital to production agriculture in New Hampshire. Thank you very much.

[Applause.]

MODERATOR: Thank you. I'm going to go over here. Sir?

MR. BILL HANSEL (sp): Morning, Fred. My name is Bill Hansel. I'm a consultant, been a consultant in the water, wastewater industry for 28 years. Primarily I work in the small communities. Thank you, Mr. Under Secretary, for letting me speak on their behalf today.

I'd like to address number four, Fred, the water, wastewater issues through Rural

Development. It has to do with water, the essence of life. The environmental consequences of not taking care of it are drastic. The only way the smaller communities in New Hampshire can do this, absolutely in an affordable way, the only way they can do this is with Rural Development's grants and loan program.

I'll try to be succinct. Number one, there's a mix of grants to loans, so a lot of the communities in New Hampshire qualify for 65, 75 percent grants. They're offered 45 at best. There needs to be a grant increase in proportion. The affordability can only be there with that partnership. To get those communities to vote two-thirds bond is an amazing process, and once they learn about it empower themselves on the local level it all hinges then on the federal funding that supports the rural development mission.

Number two, the interest is not subsidized enough. The poverty interest rate is higher than the market rate. It needs relief. It's not sensible that the very program they can participate in isn't at least competitive with the interest rates that the banks offer.

There needs to be an indexing that allows that to occur, I think, as the rates change. That needs to combine with the Federal Reserve.

Number three: on the water and sewer issues in the '02 bill, the rule couldn't have any impact on wetlands. There needs to be some relief on that issue. Understand that the projects we're doing are trying to improve wetlands and create better lakes and rivers. I call it water in, water out. The water in (audio break) -- significant impact. If it's just a puddle that has an access road to a plant, it stops the whole project. We need to revisit the type of impact we have in the formula.

We fight for reserve funds and pools. Iowa and New Hampshire can only get the grants necessary on those state levels by dipping into those pools at the 11th hour. That's kind of a crisis approach. There needs to be a base amount increase. The base amount to every state should be increased. So again in the '07 bill I encourage us to follow those four things. Thanks.

MODERATOR: Representative Bucu.

REP. TOM BUCO -- Thank you, Mr. Secretary for bringing this forum to New Hampshire. I'm Representative Tom Bucu, and I represent northern Carroll County, and I serve on the Public Works Committee. My county is a rural area of small towns, and these small towns do not have the population necessary to support the infrastructure to provide clean drinking water or wastewater treatment. The cost per person is just prohibitive, and the only way we can meet these EPA standards is by the grant partnership with Rural Development.

The towns in the district are eligible for these grants and there is local consensus to build the necessary infrastructure, but we cannot do it without partnership grants from Rural Development. So I would urge that the Farm Bill for 2007 adequately fund the Rural Development grant program. Thank you.

[Applause.]

MODERATOR: Thank you, Representative.

Over here. Sir?

MR. CALVIN PERKINS: Yes. Good morning. I'm Calvin Perkins. I come from Rumney, New Hampshire and have a very small farm where I make maple syrup and have wood products and a little hay land. I'm here this morning as president of the New Hampshire Association of Conservation Districts and representing all 10 districts and the thousands of landowners they assist each year. And thank you for allowing us to address this forum.

We would like to thank USDA for providing us technical assistance through the Natural Resources Conservation Service. This assistance is absolutely necessary to help get the Farm Bill programs out to the landowners and conservation on the ground. We are concerned that this assistance has been steadily decreasing over the last few years with the exception of the regional equity increase in fiscal year 2005.

New Hampshire's conservation districts are united in their request the 2007 Farm Bill not only continue to provide the necessary conservation programs but also provide for increased and adequate funding for NRCS technical assistance.

One of the current programs of highest concern in New Hampshire is the Farm and Ranchlands Protection Program. This program has been vital for New Hampshire and needs to continue with additional funding. The loss of farmland in our rapidly developing state is of utmost concern. If we lose our family farms there will be no need for other Farm Bill program components for farmers.

We have all heard that most of the country is less than a week away from having no food. Protecting farmlands to produce food and fiber in this rapidly urbanizing region is more important than ever. Before we begin to go hungry let's be proactive and continue protecting our valuable farmland.

Another concern issue is that of forestland not being treated equally with cropland and grassland. Forestry is a primary working land use in New Hampshire and a vital part of our economy. More USDA programs need to support this land use.

Currently forestland is not eligible under the Conservation Security Program --

MODERATOR: Sir, your two minutes is up, but another 30 seconds?

MR. PERKINS: Be done shortly. Unless it is incidental to the remaining farming operation. We would encourage treating forestland no different than other agriculture land uses on private land. Thank you.

MODERATOR: Thank you.

[Applause.]

Sir?

MR. JIM OEHLER: Jim Oehler, with the New Hampshire Fish and Game Department based in Concord, New Hampshire, and I have comments regarding the conservation programs. New Hampshire's wildlife depends on the state's agriculture and forest resources for food and habitat.

Agriculture and forest management-related activities certainly impact fish and wildlife and their habitats. Negative impacts can include direct mortality and habitat degradation. However, with the application of best practices, such as those practiced under the Farm Bill programs, impacts would be at worst neutral and at best they can be used to conserve and enhance fish and wildlife habitats.

Many farmers and forestland owners are concerned about and sensitive to the potential impacts to fish and wildlife and are willing to implement practices and set areas aside to benefit fish and wildlife. However, implementing those actions to conserve habitat usually come at an economic cost to the landowner. They need financial assistance to sustain and protect fish and wildlife habitats on their lands.

Wildlife and fish are public resources. These resources are managed by public agencies to provide a multitude of public values. Federally funded programs that provide financial assistance to private landowners such as Farm Bill programs should also protect and conserve these public resources. In fact, Fish and Wildlife should be a coequal priority with Soil and Water Conservation in all phases of Farm Bill programs. The Farm Bill conservation programs need to remain strong and adequately funded to maintain all public resources.

The federal government invests a significant amount of funding in fish and wildlife conservation through a variety of grant programs. Unlike most of these federal programs, a primary focus of the Farm Bill programs is on private lands. Since private landowners own the vast majority of New Hampshire it is imperative that we work with them to protect and conserve public resources including fish and wildlife.

And appropriately funded Farm Bill conservation programs can greatly assist states in achieving fish and wildlife conservation objectives and implementing strategies of state wildlife action plans that most states have completed recently while also promoting and protecting agriculture and forestland production. The New Hampshire Fish and Game Department considers NRCS a major partner in implementing the New Hampshire Wildlife Action Plan, and we look forward to a productive and very successful relationship with that agency well into the future.

MODERATOR: Right on the money. Thank you.

[Applause.]

Let's go over here. Yes, ma'am.

MS. SHELAGH CONNELLY: Good morning. My name is Sheila Connelly, and I'm the president of a company located up in Holderness, New Hampshire, called Resource Management, Inc. We're a company that recycles biosolids and wood ash and paper fiber to farms throughout New England and New York. We work with just under 500 farms at this point, and the farms use these materials as alternative fertilizers and an alternative to purchasing lime.

I guess my hope is that the USDA, through the Farm Bill 2007, will continue the research that's been done out of Beltsville, Maryland, primarily Dr. Rufus Cheney has done an excellent job in providing good science to support the continued use of these alternative materials, and good science is the foundation of all policy and regulation, or should be.

And I strongly urge USDA to continue that research initiative and look forward to that as a component as you craft this bill. Thank you.

MODERATOR: Thank you.

MR. CHARLIE NIEBLING: Good morning, Mr. Secretary. My name is Charlie Niebling. I'm vice president for Policy and Land Management with the Society for the Protection of New Hampshire Forests. We're a 104-year-old land conservation and forestry organization with 10,000 members in the state.

We are significant beneficiaries of Farm Bill programs. Cost-share, forest legacy, farm and ranchland protection, and our land conservation work, and we are close partners with UNH Cooperative Extension whom we consider to be vital to our efforts and the efforts of good forestry and conservation in the state.

The question I'd like to address is, how can farm policy best achieve conservation and environmental goals? I'd like to focus on forestland. It's our primary natural resource in New Hampshire. The needs of privately owned unindustrial family forestland owners should be considered more prominently in the next Farm Bill. A strong conservation title is essential to good land stewardship in New Hampshire. We suggest that the conservation title incorporate a strong commitment to forestry rather than trying to revitalize a forestry-specific title in the next Farm Bill.

We believe that the next Farm Bill should better balance allocation of resources to place greater emphasis on conservation programs. There is a tremendous regional imbalance in allocation of resource needs to be addressed.

I'd like to summarize a couple comments specific to cost-share programs. Within cost-share programs like CSP, EQIP and WHIP we would emphasize maximum state flexibility and autonomy to deliver best practices in a landowner friendly delivery. New Hampshire's doing a good job; we could do better. I have one specific example I'd like to suggest, and that is to allow a cost-share practice to underwrite part of the cost of land conservation transaction expenses. That is the single greatest deterrent to landowners engaging voluntarily in land conservation. Thank you, Mr. Secretary.

[Applause.]

MODERATOR: Thank you. You also are right on the money.

MR. JOEL HARRINGTON: Thank you, Mr. Secretary. My name is Joel Harrington. I am vice president of Policy for New Hampshire Audubon. We are a 92-year-old wildlife conservation organization in New Hampshire with about 8,000 members doing education, policy, and habitat management.

If we look to the American Farmland Trust's regional work they did working with farmers it was clear they saw that farmers really want renewable sections in the bill, conserve land, and protect wildlife habitat. In fact, through all the regions that they did that study they actually found that farmers want to shift a lot of those funds to conservation -- specifically into the stewardship and land management areas, to expand conservation compliance, simplify and consolidate existing conservation programs and provide block grants to achieve regional environmental goals.

In addition we'd like to hope there'd be an increase in authorization by 250,000 acres annually and appropriate the necessary funds for enrollment in the Wetland Reserve Program. In terms of the Wildlife Habitat Incentives Program, which we've used on many occasions, we'd like to increase the authorization to about \$100 million annually and use these funds for cost share or incentive payments to encourage landowners to provide wildlife habitat.

On the Grassland Reserve Program, we'd like to implement the GRP in a manner that protects those habitat types that are most imperiled, rare or difficult to conserve, allow regional state and local discretion in selecting landscapes to be emphasized and to ensure involvement of State Fish and Wildlife Agencies and development of program rules and other guidance material during program implementation. Thank you.

[Applause.]

MODERATOR: Thank you. Sir?

MR. BRUCE CLENDENNING: Thank you, Mr. Secretary. I'm Bruce Clendenning. I live and work in Concord, New Hampshire. I work for the Appalachian Mountain Club in the policy department. We are the oldest conservation and recreation organization in the nation with about 90,000 members throughout the Northeast.

Northeast forests have direct economic values that are huge for our region. They cover a wide range of uses such as forestry, recreation, tourism in the neighborhood of about \$19 billion per year according to the Northeast State Foresters Association. In addition they provide ecosystem service such as clean air and water, wildlife habitat, and serve as soil banks for our important soils in the region.

The region is seeing parcelization, and development at an incredible pace. This has been highlighted in the Forest Service's recent "Forests on the Edge" report in which seven of the 20 most likely to be developed watersheds were in the Northern Forest region with 19 of them in the Eastern Seaboard. This is important because in our region forestry is one of the most dominant forms of agriculture.

I'm going to quickly gloss over some big picture items we think are important tools in the Farm Bill that can be improved. First of all the Forest Legacy Program. It's one of our most effective programs for land conservation in the Northeast. It should be authorized for somewhere in the neighborhood of \$300 million. That sort of need has been established and proven, and we need to create a goal to work forward for our appropriators to have a goal there.

In addition there should be more flexibility in the Forest Legacy program for who can hold easements. We need to make more funding available to promote the goals of communities for both their land conservation and stewardship goals. So cost share programs and funding for community forestry and community forests. It's an incredibly important tool that can be done.

We need to increase the flexibility and funding for important cost share programs like CSP, FLIP, WHIP and EQIP and make sure, as the Forest Society mentioned, that easement acquisition costs can be covered. That needs to be an important goal that we work towards.

The Farm Bill should finally prioritize conservation of our resources, things such as forests, important soils, wildlife habitats, and the other values our forests provide to our region must be prioritized in the Farm Bill. Thank you very much.

MODERATOR: Thank you.

[Applause.]

Right across the room, here.

MR. ANGUS JOHNSON: Good morning, Mr. Under Secretary. My name is Angus Johnson. I'm a sustainable farmer in Harrisville, New Hampshire. I run a dairy and beef operation that's a grass-base. I'm also the co chair for private sector for the Northeast Pasture Consortium, which covers Ohio to the Atlantic from Carolina to Maine, so I'm speaking to you for a number of producers this morning.

Grass-based agriculture is extremely important for the Northeast for all the issues the people have spoken here already. It's environmentally sound, for clean water, clean air, and clean ground. We need some more support from the USDA to increase the study and research on species for grass-based agriculture. It's been happening so far that we've got 20,000 acres of pastureland in the state of New Hampshire, we'd like to be able to utilize, but we need the support from the USDA to make that happen.

The health benefits for grass-base is consumer-driven. Rural Development as far as economic base is to keep farmers viable. We can do that through grass-base and energy resources by putting our cattle on grass instead of using petroleum-based products. It's an energy savings cost for all farmers and producers.

We need some help from the USDA to work on pasture management, and we hope you keep this well within the Farm Bill this year. Thank you very much.

MODERATOR: Thank you.

[Applause.]

MR. BOB EDMONDS: Good morning. I'm Bob Edmonds. I'm from Barrington, New Hampshire. I head up the Forestry and Wildlife Program for UNH Cooperative Extension, and we appreciate your being here. Forestry is important to New Hampshire. 70 percent of New Hampshire is privately held forestland, and so forests are important.

USDA over the most of the last century has been a leader and a very successful leader in using technical assistance and education to help landowners, forest landowners, with conservation practices. And New Hampshire is forested and frugal, and we find this is a very cost-effective way to get conservation practices in place. This has been through the Forest Service, through Cooperative Extension, through NRCS.

We also appreciate the cost sharing programs through FSA and NRCS. I have a couple of suggestions. One is to have a landowner, forest owner cost sharing available for municipalities -- counties and local governments -- on their lands and to reiterate what Charlie Neibling said about having upfront costs for people that want to donate conservation easements, have bargain sales to have upfront costs cost-shared. So thank you very much.

MODERATOR: Ma'am.

MS. ANNA BOUDREAU: Thank you. And I timed this last night, and it does go 15 seconds over. Sorry.

MODERATOR: Well, he was about 30 seconds short, so --

MS. BOUDREAU: Great. Mr. Under Secretary, thank you for being here today.

My name is Anna Boudreau from Dover, New Hampshire. And I'm here in two roles this morning. First is as a volunteer. I'm the chair of our statewide University of New Hampshire Cooperative Extension Council comprised of citizen volunteers from every county of the state. We had our statewide meeting last week with representation from every county of the state, and on behalf of our clientele and the 3500 trained volunteers supporting Cooperative Extension programs, I stand before you here today with one simple appeal. That is, to urge you to increase federal Smith-Lever formula funding for Cooperative Extension. That has remained essentially flat for several years.

The reduction over the years raises a question about the federal commitment in this three-way partnership between the federal, state and county government, that team that you were discussing earlier. Here in New Hampshire we rely on these funds for research and extension. They serve as the foundation for the partnership with state and county government, and enable us to be agile in responding to needs in emerging issues confronting agriculture and rural communities.

As a volunteer who works closely with UNH Cooperative Extension educators, it remains very clear to me that the need for their services increases dramatically every year, yet the funding does not.

Our dean and director for Cooperative Extension, John Pike, is here, and he has submitted written testimony elaborating in more detail on the need. As these funds are essential if we are to continue extending much needed research and extension programs to support farmers, communities and the consuming public.

I'll shorten the second portion of my testimony. The second hat I'm wearing today is as the director of the Stratford Rivers Conservancy. It's a small regional land trust striving to meet the increasing land protection goals in Stratford County, the southeastern portion of the state.

Over the years we have applied for and received, thank you very much, funding from the federal Farm and Ranchland Protection Program. It's a critical program to our success.

MODERATOR: You've got 30 seconds.

MS. BOUDREAU: I'll skip that page. (audience laughter) I meet with landowners every week, and many of them are third and fourth-generation farmers who share with me the stacks of letters, cards, flowers from developers willing to develop their land and funding the federal farm and ranchland protection at a higher level without ceiling would definitely help in that regard because the land values are so high in this state. Thank you very much.

MODERATOR: Thank you.

[Applause.]

Yes, ma'am.

MS. MICHELE TREMBLY (sp): My name is Michele Trembly, and I'm chair of my conservation commission on which I've served for about 16 years and chair of my local river watershed group that I've served for about 20 years. So not the oldest conservation organizations around, but since I've frittered away my youth on both of them they're important to me, and they're important to those groups.

What I'd like to talk about is what regional equity could mean for New Hampshire, and that is that there are lots of good technical programs around but a lot of pieces of land on which we could place them are dwindling. And I think the Farm and Ranchland Protection Program and other land conservation programs are really where regional equity could be more creatively applied.

Land prices in New Hampshire, being the fastest growing state in the northeast, are way too high. Our Conservation Commission worked very hard on a conservation project in which the owner was willing to donate a significant value of his property. Our town is committed on the level of putting together hundreds of thousands of dollars each year saving that at town meeting.

And I have to really fight for that every year, and still we can't close the deal because I'll get a call from the landowner where someone's offering them \$5 million just by driving by and seeing the enormous potential of that beautiful flat, wide-open river-front, rich bottomland. So I would submit that the Farm and Ranchland Protection Program funding should be increased in states like ours versus having equity across the board for all the programs.

The local commitment is here, but there just aren't enough funds at the local and state levels to be able to fund conservation. Thank you.

[Applause.]

MODERATOR: Thank you. Over here.

MR. MARK ZANKEL: Thank you for this opportunity. My name is Mark Zankel, deputy state director for The Nature Conservancy in New Hampshire. The Nature Conservancy is a nonprofit conservation organization with chapters in every state and over a million members. And our mission is to preserve biodiversity, and we utilize a number of the Farm Bill programs on our lands and our waters.

My testimony folks, is on the question of how can farm bill policy best achieve conservation and environmental goals?

Number one, we'd like to see an increase of funding for long-term easements. The Farm Bill plays an extremely important role in conserving the opportunity for our

nation to grow and yield food, timber and other agricultural products. And a key element of maintaining this opportunity is to retain a sufficient undeveloped land base. It's vital that the next Farm Bill continue and increase the overall funding available for farm ranchland and forest conservation, in particular the Forest Legacy program and the Farm and Ranchland Protection Program.

Number two, we support better targeting of farm conservation programs. We support the idea of enabling the Farm Bill programs to target resources towards highly threatened landscapes and watersheds with high ecological and natural resource values and providing additional funding for those efforts. This approach would help to ensure more meaningful conservation outcomes for the dollars that are invested by USDA conservation programs.

Third, we'd like to eliminate the barriers to forestland in USDA programs. Forestland is our primary land base in New Hampshire; yet there currently exist restrictions and barriers to the enrollment of forestland in a number of USDA programs, and we support eliminating those barriers.

Finally, we'd like to see the Farm Bill better address invasive species threats associated with agriculture and forests, in particular the Farm Bill should preclude invasive species plantings within Farm Bill conservation programs. Thank you.

MODERATOR: Right on the mark. Thank you.

[Applause.]

Yes, ma'am.

MS. JULI BRUSSELL: Thank you. My name is Juli Brussell. I'm the agricultural resource program leader for Cooperative Extension for New Hampshire, and I'm also, we maintain an active family farm in Illinois in corn and soybeans. Mr. Under Secretary, thank you for coming here today to seek grassroots input for the upcoming 2007 Farm Bill. I hope and I understand that I appreciate the significance of this process, so I want to address primarily the issue of maximizing global competitiveness for farmers.

Let me note that our agricultural base in this state differs significantly from that found in the Midwest, in the Southeast and the Western parts of the country. More than 95 percent of our farms in the state qualify as small farms under the USDA definition. These farms coexist side by side with nearby small towns and also in a rapidly urbanizing environment, particularly in the southern third of the state. This is both their strength and a challenge.

Two of our 10 counties here in this state in the 2002 Ag Census qualified as 34th and 37th in the country out of all U.S. counties in direct sales to consumers. We must regard the U.S. as a significant part of that global economy and direct significant

resources to assisting farmers and small food-based businesses to sell to customers here in this country. We have looked abroad, we have looked overseas as part of that global economy. We must start looking at home.

We must direct technical and financial assistance to farmers, coupled with increased payments for conservation benefits such as the Conservation Security Program, which is a green box payment and legal under the WTO. This will ensure that we reap the maximum benefits from dollars kept at home circulating in the American economy. It will reduce energy cost of transportation, increase ownership of small local businesses, and protect the resource base that we depend on for our agriculture.

We need to focus additional financial support to institutions and programs charged with providing this type of technical assistance. In particular --

MODERATOR: And you have 30 seconds left.

MS. BRUSSELL: Thank you, sir. In particular I would like to see financial and technical assistance provided to states to redevelop their processing infrastructure for livestock processing. We significantly need this resource, and we need it now, sir. Thank you.

[Applause.]

MODERATOR: Thank you. Yes, ma'am.

MS. KAREN BENNETT: Yes. Hi. I'm Karen Bennett. I live in Antrim, New Hampshire. I'm the Extension forestry specialist with the University of New Hampshire Cooperative Extension. Thank you for coming to New Hampshire, Secretary Dorr. And please do come back some other fall day when it's shiny out. It's beautiful here.

Last week I was fortunate enough to hear Secretary Rey speak to the Society of American Foresters. He spoke about the notion of collaborative conservation. Please pass along that his words resonated with me, and I reflect on them and will continue to reflect on them.

I suggest that there's no greater collaborative conservation happening between the public and private than what happens on private forestlands in the country and in New Hampshire particularly. 84 percent of New Hampshire is forested, and 70 percent of that is owned by private forestland owners. Our environmental integrity, quality of life in this state, and much of the rest of the nation stands high on the shoulders of private forestland owners. I encourage you to remember private forestland and landowners in the 2007 Farm Bill. I ask you to remember private forestland owners through financial assistance programs and also through technical assistance and education.

My work entails helping private forestland owners take care of their property, a personal asset, to steward it for clean air, water, abundant forest products, and aesthetic

and recreation values, important public assets. Private forestland owners do the heavy lifting to manage and protect these public assets. With support of these dedicated people through financial, technical, and educational assistance the Farm Bill can go far towards creating the collaborative conservation that USDA hopes we achieve. Thank you very much.

[Applause.]

MODERATOR: Thank you. Yes, ma'am.

MS. ERIN ROBLEY (sp): Hi. My name is Erin Robley, and I am also from Antrim, New Hampshire. And I am a field service representative for the dairy cooperative, AgriMark. So I work with a lot of the dairy farmers in the state.

And I would also like to firstly encourage the continued and increased support of 4-H and Cooperative Extension. I am someone who did not grow up on a farm, and through 4-H I was able to be exposed to agriculture and became interested in it, and now I work in an agricultural field.

Secondly, as someone who would like to have their own farm, one of the barriers I see for starting up a new farm is the prohibitive costs of healthcare and health insurance in our country. It affects all small businesses including farm owners, and I think that having an affordable source for health insurance would greatly help young people to start up a new farm.

And on another note, I would also like to say how important I think it is that the MILC program be continued for dairy farms because I know that it provides a big help for a lot of the dairy farms that I work with. Thank you.

[Applause.]

MODERATOR: Thank you. Yes, sir.

MR. BOB WELLINGTON: Good morning. My name is Bob Wellington. I live in Hooksett, New Hampshire. But I'm here representing the dairy farm families of AgriMart Coop. We represent the majority of dairy farms here in New Hampshire as well as farmers in New England and New York. We will provide detailed answers to all those six questions. However there are three underlying principles we wanted to mention and make sure the Department stays aware of.

The first is that many of the answers of those six questions will be provided if farmers receive a fair return for their labor, management efforts, and investments. And particularly in their land and capital. Profitability will encourage the next generation and allow resources to address conservation and environmental issues. Adequate farm income will not only keep farmers on the land, it is a fundamental homeland security issue.

Secondly, farmers are the original entrepreneurs and compete every day. However, don't ask them to compete at world prices but then burden them with regulations that raise their cost above their competitors in other countries.

Thirdly, U.S. consumers pay the smallest percentage of their income for food based on any country in the world. But the farmers' share of that consumer dollar continues to shrink. Farmers need to capture more value added income. To do so they need marketing assistance and access to capital markets. We need policies that encourage that.

And I would also, because we're in New Hampshire, say that I hope the Department takes a look at the commissioners of agriculture on a state-by-state basis and look at their concerns. It's not a surprise that Steve Taylor has served as the commissioner of agriculture here in New Hampshire longer than anyone in the country. Steve has a fundamental supply of common sense, and that's what we also think that USDA needs and the Congress needs as they approach this Farm Bill. Thank you.

[Applause.]

SEC. DORR: There's one mistake you made. He has not served longer than Gus Douglas from West Virginia. I know that. But he will.

MODERATOR: You just got reappointed, Steve. Yes, sir?

MR. CHRIS WELLS: Good morning. Thank you, Mr. Under Secretary. I am Chris Wells of Wilmot, New Hampshire. I am policy director of the Society for the Protection of New Hampshire Forests. I'm actually speaking today though on behalf of the Quabbin to Cardigan Collaborative.

Others here have and will continue to be talking about the importance of New Hampshire's private nonindustrial forest base to our working landscape. I won't go on more about that because others will.

As has already been said and will continue to be said, the single biggest threat to the future of New Hampshire's private forests is fragmentation and conversion to other uses. With this in mind, the Forest Legacy Program is crucial, has been, and will continue to be crucial to securing our state's base of working forestland for the future.

With this in mind, we urge USDA to consider through the Farm Bill authorizing one or more pilot programs within Legacy with using new funds added into the Legacy Program to focus resources on strategic landscape scale forest conservation and at least in some cases where it may actually cross state lines.

Here in New Hampshire, an existing public-private partnership with the Quabbin to Cardigan Collaborative has been working for more than two years to develop a

strategic conservation plan for the Monadnock Highlands which stretch roughly from the Quabbin Reservoir in Western Massachusetts to Mt. Cardigan and the White Mountains in New Hampshire.

I probably don't have a lot of time, but the region is a crucial strategic, or certainly regional, and if not, national wood products base, which for us is not just traditional wood products but increasingly biomass. We have six wood burning power plants in the state already. P.S. of N.H. is installing a 50-megawatt station in Portsmouth as we speak, so it's a crucial biomass base. It's a crucial watershed area for both the Merrimack and Connecticut Basins, obviously a recreational corridor. So I'll stop with that.

In terms of threat, its population growth, we are the fastest-growing state in the Northeast. It's ownership turnover, which we see throughout the Northern New England and also the upper Midwest. As other people have already referenced, rising land prices. The price of land statewide in this state in the last five years has gone up over 60 percent in the five-year period.

MODERATOR: You've got 30 seconds.

MR. WELLS: Lastly, the Quabbin-Cardigan region has also been identified by the Forest Service, in the "Forests on the Edge" report, which is a national survey looking at conversion threat as being one of the hotspots in the entire northeastern seaboard. Thank you very much.

[Applause.]

MODERATOR: Thank you. Yes, ma'am.

MS. ROSALY BASS: I'm Rosaly Bass. I'm Charlie Bass's stepmother. I missed his speech this morning because of the weather. Thank you, Mr. Secretary, for coming to hear what we have to say. I have a small organic farm. It actually happens to be the second largest in the state. And I've been doing it for over 30 years. And one of the things that's being crucial to me is the Extension Service. My feeling is, the Farm Bill really needs to provide adequate funding for the Extension Service to keep farmers operations sustainable and to encourage new farmers to start farms.

Here's what the Extension Service has done to me. I just want to make it a little personal so you can understand me talking from my own experience. For over 30 years they made recommendations to improve my soil fertility. They make recommendations on pest management and disease control and when I have a problem I can call them up and say, I have the problem. Sometimes they diagnose it over the phone, but if they can't they come just like a doctor would come and said you are sick. They keep me informed of the changes OMRI makes so I can make use of new pesticides and fungicides. They facilitate farmers' meetings. They are called Twilight meetings here. And this really increases the learning curve for farmers.

And they've encouraged me over the years to try new practices to make my operation more sustainable. And I'll just give you one example. When I began farming I would grow tomatoes, and I had all kinds of problems-- blight and hornworm and all kinds of problems. And they encouraged me to build these what they call high tunnels with the roll-up sides. And my operation has gone from \$500 when I first started to \$25,000 last year.

MODERATOR: Ma'am, you're out of time, but I'll give you another-- actually you're over time. Another 10 or 15 seconds.

MS. BASS: All right. And the other thing they do that's very valuable is this Master Gardener program, training gardeners to become Master Gardeners so they can help other people, which means the Extension Office can be free to help farmers. So thank you.

[Applause.]

MODERATOR: Thank you.

MR. JACK POTTER: Good morning, sir. I'm Jack Potter. I'm the president of the New Hampshire Farmers Market Association. My wife and I are both retired Air Force officers. We moved to New Hampshire. We took a horse barn and converted it into a small bed and breakfast. We have a market garden, we have some dairy goats, and we sell at two farmers markets. I'd like to talk to you today about farmers markets.

And one of the things that we're seeing here in New Hampshire, a state that's known for its quality of life, is that the number of small farms that are being put back into production. And one of the reasons that small farms are coming back into production has been the growth in farmers markets here in the state. In 2001 there were 29 markets. The next year there were 38. The next year there were 45. The next year there were 52. We finished this year at 54.

Farmers markets generate a significant amount of income for small farmers. Now we estimate that's about \$1.5 million. That's not a lot of money when you compare it to other states. But for small farmers, that can mean the difference between paying the taxes or not.

And so we formed the organization, again the Farmers Market Association, to try to help promote farmers markets as well as to help the farmers that are in the farmers markets. We estimate there's about 300 vendors that are selling at farmers markets. Again, the number is about 1.5 million that we feel that like they gross. In 2004, the WIC program, both the WIC and the senior farmers market nutrition programs, brought in about \$194,000 to farmers at farmers markets. It was about 97,000 coupons that were redeemed.

I have submitted written comments both to this session as well as to the session

that's happening down in Boston, the Food and Nutrition Service listening session that's happening on Friday. I want to say that I really would like to say that continued emphasis be put on both the WIC farmers market nutrition program as well as the senior's farmers market nutrition program.

I would also like to see that continued support be given to being able to promote the use of Food Stamps at farmers markets. We have five markets that are capable of doing that.

The other comment I'd like to see, I'd love to see some money put into some type of a national farmers market coalition to help promote farmers markets associations with -- That's all, sir.

MODERATOR: Thank you.

[Applause.]

We're going to take a break at 11:00 for ten minutes just so you can time everything here. So let's take one more person, and then when we come back you two will be the first up. Sir.

MR. DENNIS SHAFFER: Good morning. Thank you for the opportunity to comment on the upcoming Farm Bill renewal. I'm Dennis Shaffer. I'm the Northern New England field office director for the Trust for Public Land. The Trust for Public Land is a national land conservation organization with a highly successful track record of farmland and ranchland conservation projects here in New Hampshire and across New England. Because of our conservation focus I will address my comments on your question concerning conservation and environmental goals.

I'd like to echo the many comments you're hearing today that the Farmland, Farm and Ranchland Protection Program has been a very important tool for preserving highly productive agricultural soils and enhancing farm viability here in New Hampshire. New Hampshire is experiencing unprecedented growth pressures, especially in areas with some of the most productive farms. Numerous New Hampshire farms have been protected through the Farm and Ranchland Protection Program, but more work remains. It is important that this program be funded at levels necessary to preserve New Hampshire's best farms while the opportunity still exists.

You've also heard from many speakers today saying that forestlands are especially critical to New Hampshire's working landscape. Forest Legacy and the Urban and Community Forestry Programs have provided important resources for protecting and enhancing the viability of New Hampshire's timber resources. It is important for the next Farm Bill to recognize the significance of forestlands to states like New Hampshire. Existing programs such as Forest Legacy should be expanded, and opportunities for new conservation initiatives should be established.

We're seeing a groundswell of interest at the local municipal level for communities to purchase and manage their own timberlands. The lands are contributing to local economies through both timber production and recreation. There's a wonderful opportunity through the upcoming Farm Bill renewal to assist these local communities with the acquisition and management of community forests here in New Hampshire and in other states with significant forest resources. Thank you.

MODERATOR: Thank you.

[Applause.]

Ten minutes. Real quick. Restrooms are down to the left and up the steps. See you back here in ten.

[Recess. Off and on the record.]

FEMALE: (in progress) -- 4-H and for help with livestock processing. Livestock processing I'd like to be in detail a little bit more. It used to be that we could come to the one processing plant in the state and afford to do that and still make \$40 or \$50 on a lamb if we sold it to a good customer or restaurant. I no longer can do that. We only have one facility. Those prices have raised. The gas prices have raised. And we have no choices, and also that one facility is now being managed by someone who's not quite so consumer friendly, producer friendly as we had. We'd like really to have some help with that as a choice.

Secondly, in the sheep industry we need some help in the state in particular to help us get the scrapie program in line with the federal regulations. And I've talked to Steve about that and some other people. But anything that you can do on those lines would help us on that.

And thirdly, I'd just like to say that both of my daughters went through Highland House at UNH and both of them have used the skills they learned at UNH to stay able to earn their livings and help their families. I would hate to see us lose that. Highland House was a two-year program that no longer exists, but at least there are some hands-on programs at UNH that help our kids become useful citizens and not end up on the streets. Thank you.

MODERATOR: Thank you.

[Applause.]

Those are great. Two people in a row with two minutes each. That was great. Yes, sir.

MR. GARY MADISON: My name's Gary Madison. I'm a flower grower from Epsom, New Hampshire. I'm speaking today on behalf of farm credit, First Pioneer Farm

Credit of which I'm a director. I'm also active in organizations involved in rural development and workforce training.

My comments today are about farm credit. First Pioneer is a dominant agricultural lender in the six states in which we do business including parts of New England, New Jersey, and New York. Our market share for farm debt exceeds 60 percent in the area we serve. We're a customer-owned cooperative with farmers, commercial fishermen, forest products operators as members. We understand the economic cycles in agriculture and serve our customers in good times and bad.

I appreciate the opportunity to be able to make these comments to you today on federal farm policy. At Farm Credit our business is agriculture, and part of our continuing effort is to be responsive to the needs of our customers. We've undertaken a comprehensive examination of the changes occurring in agriculture and in rural America. This nationwide planning process by the Farm Credit system is called the Horizons Project and it's helped us identify how farm credit must evolve to meet the future needs of farmer/customer members.

The fact is that rural America is becoming more diverse. While agriculture remains very important, the economic well being of our rural communities and farmers is dependent on the success of a wide variety of businesses that exist in rural communities. The number of farmers that are dependent on all farm income is increased while the competitive pressures of globalization have resulted in consolidation of farms into larger entities.

As rural entrepreneurs, farmers, adapt to market conditions and out of necessity often get involved in many different enterprises. My recommendations relate to a number of listening sessions questions and are focused on helping promote a more viable agriculture industry and rural communities with greater opportunities. I recommend that strong consideration be given to updating federal regulations and statutes to enable Farm Credit to continue to effectively serve agriculture including financing all types of agricultural producers, no matter where the majority of their income comes from, as well as agriculturally related support businesses and new generation farmer cooperatives.

Also I wish to encourage you to expand the focus on investments in rural communities that will help jobs and provide job opportunities. USDA regulations on rural business investment companies, RBICs, are too restrictive for both farm credit and banks. And also expand programs such as EQIP that help farmers deal with environmental objectives and also to encourage more entrepreneurship through applied research funding and market development assistance. Thank you very much for the opportunity to testify.

MODERATOR: Thank you.

[Applause.]

I get a feeling he had more to say, and probably a lot of you did, but just remind you that you can make comments that will carry the same weight as the comments you're making here by going on to the USDA's website at WWW.USDA.GOV, and you can make comments and submit them there, and they will be considered just like your comments here.

Okay. Let's go back over across the room. Yes, sir.

MR. STEWART YEATON: Good morning, Under Secretary Dorr, Commissioner Taylor. Good to see you again. My name is Stewart Yeaton. I'm a dairy farmer in the town of Epsom, New Hampshire, fourth generation dairy farm with partnership with my brother. I also serve as the county chairman of the Farm Service Agency for Merrimack and Belknap County.

Speaking today as far as the open space, I've heard lots of great testimony along those lines in different programs. The bottom line is, if you want to keep your open space the cheapest way to do it is to keep farmers like myself and many other people in my industry profitable.

Do not tie our hands behind our backs and make us compete on a world market with our powders, our butters, our cheeses in markets with the European Unions where there are such subsidizations that we can't compete on those markets. So when the programs do come up in the 2007 Farm Bill make sure that we're not being tied with either environmental issues that are unfair to us or unfunded that we can't meet those without putting ourselves in the hole or in major debt.

Certain issues as far as programs with farms that over 200 animal units, basically we had a program that was trying to come to light that we had to plead guilty to air pollution and turn us over to the EPA before we even knew we had a problem with those issues. These are things that let's talk ahead of time, let's work in the Department of Agriculture ourselves so we can through EQIP funds and things along those lines.

But if you want to keep the open space for people to hunt, fish, drive up from Boston, drive by our farm to go to Lake Winnepesaukee, keep myself in business. We rent over 110 acres of land, and we own 300 acres of land. We don't want to sell out to developers at that time, but if you keep us so we can make a living making milk, the land will stay open. I promise you that. Thank you.

[Applause.]

MODERATOR: Thank you. Yes, sir.

MR. LEADBEATER: Good morning. I guess I have a question of Fred first. Is the reciting of credentials part of my two minutes?

MODERATOR: Yeah. Real quick.

MR. LEADBEATER: Okay. Then I'll skip the credentials. My is Leadbeater. I run Goold (ph) Hill Orchards in Contoocook, New Hampshire. And w, in response to global markets, have downsized our fruit operation from 128 acres to 30. A number of folks who have spoken today have addressed a lot of topics and stolen all my thunder, but I would like to address all six questions in the little handout we got in my two minutes.

First, Mr. Secretary, please don't give us handouts. Please don't give us fluff 'n stuff of various marketing gimmicks. We need help. We need more and better access to good, real scientific research and extension outreach. We all need in this room, and the whole state here, need a significant increase in the dollars funding for the land grant programs that give us the tools and the opportunities to get somewhere in this global marketing system we now are playing with.

I appreciated your comments about Dr. Borlaug earlier this morning, and it triggered in my head an old analogy. Give me a fish and I can feed my family today. Teach me to fish and I can feed the world. Thanks for being here.

[Applause.]

MODERATOR: That was the most succinct addressing of six questions I've heard. Thank you, sir. Yes, sir.

MR. JASON STOCK: That's a tough act to follow. My name's Jason Stock. I'm with the New Hampshire Timberland Owners Association. We represent timberland owners as well as the forest products industry. I want to thank the under secretary for taking the time to come to New Hampshire and host these listening sessions.

Our interest in the Farm Bills is in three principal areas-- the Forest Legacy program, cost-share programs, and that rural economic development programs relative to grants, loans and research. All three of these are a real positive force that help New Hampshire landowners own and manage their forests and the forest businesses that make that ownership and the production and processing of timber possible, particularly in a global market where we see imports coming from offshore competing against local species.

It's also to recall, and we've heard part of the testimony today, the role these lands and businesses play in the health of our environment, health of our rural economies, and of course our high maintenance of high quality of life.

Two questions that jumped out at me out of the list of six is: how can farm policy best achieve conservation and environmental goals, and the second question was: how can federal rural and farm programs provide effective assistance in rural areas? With the Legacy program it's a program, it's working, we believe it's working well. Its focus on private land and its work with the state forester and state forestry agency is working. We like the program. It's effective. It's a great tool that helps maintain open space and also

provide forest products for our industry, needs to stick with the mission and that is maintaining large parcels of working forest.

Cost-share, looking at the programs, we continue to support the NRCS cost-share programs and we hope the Farm Bill will continue to do that as well.

One of the problems we've experienced in recent years is dollars that were allocated that weren't delivered due to particularly with the FLEP program-- that's been a problem. We'd like to see that addressed, problem being expectations are built and not delivered, and people drop off the radar screen and lose interest.

I have 20 seconds left. Thank you. Some of the rural economic development programs, some comments I've gotten from my members, particularly some of the small businesses, the programs can be very confusing and also very costly. When they sit down at the end of the day, it can cost them more out of pocket to participate in some of these programs than if they just did the upgrade to the mill themselves. I think that process needs to be reviewed in making sure that the program is as effective as we'd like to see it. We will provide written comments. Thank you.

MODERATOR: Thank you, sir.

[Applause.]

Standing over here on the left is the economic development director for the state of New Hampshire, Stu Arnett. Stu? You want Phil? Okay, Phil. Go ahead.

MR. PHILIP BRYCE: Thank you, Fred. Good morning, Mr. Under Secretary. Welcome to New Hampshire. My name is Philip Bryce. I'm director of the division of Forest and Lands, state forester in the Department of Resource and Economic Development. I also cut a little wood every now and then and put up a few quarts of maple syrup. Thank you for --

SEC. DORR: Your hands don't look too rough though.

MR. BRYCE: Yeah, I know. It's a sad state of affairs. Thank you for holding the Farm Bill listening session here in New Hampshire. New Hampshire is the second most heavily forested state in the nation, and along with our agricultural lands the forests are integral to the character, quality of life, and economy of this state. The annual contribution of forest-based manufacturing and forest-related tourism and recreation to the New Hampshire economy is more than \$2.6 billion or \$555 per acre per year. These numbers do not begin to capture the importance of our forestlands to clean water, wildlife habitat, and other ecological services that directly benefit the public.

These benefits are dependent on the nonindustrial private forestland owners that own 70 percent of the timberland in the state. However, we are faced with unprecedented challenges to continue to maintain the health and productivity of our private forestlands

and the rural communities that are linked to these lands. These include conversion of land to nonforest uses, invasive insects and diseases, global impacts on the forest industry, and increasing pressures from recreational users.

The National Academy of Sciences published in 1998 an assessment of the status of the nation's nonfederal forests and the role of the federal government in contributing to the management of nonfederal forests. The book is entitled *Forested Landscapes in Perspective*. One of the many recommendations is as follows: Promote public and private investments in nonfederal forests by establishing innovative investment policies and fostering healthy national and regional economies. Investment should be broadly construed to include financial, intellectual, human, and ecological resources.

These investments in our forests through the Farm Bill are essential to maintain our working landscape here in the state. Thank you for the opportunity to speak. I look forward to submitting more detailed comments in writing. Lastly I'd just like to commend both FSA and NRCS in New Hampshire for their support of forestry.

[Applause.]

MODERATOR: Stu Arnett.

MR. STU ARNETT: Thank you. My name is Stu Arnett, and I'm the economic development director for the state, and on behalf of my colleague Phil Bryce who you just heard from, our bosses Commissioner O'Kane and Governor Lynch, thank you, Mr. Under Secretary, for making us one of the eight states you visited. It's nice to have you here, and you're in good company with the commissioner and Fred there.

You're, I'm sure, getting a lot of recommendations today. I want to speak quickly and tell you about something, not a recommendation, but something that's really working well; that is, our relationship with Rural Development here in New Hampshire when it comes to community, economic, and housing development.

Let me give you a quick idea of why the Rural Development programs are so important to us. The New Hampshire economy is roughly a \$50 billion economy. There's roughly 40,000 companies that report a payroll. I have about 30 people. So if we are hoping to deliver any kind of services to those 40,000 companies, obviously we're very dependent on local and regional development organizations.

One of the most effective tools, for them to make good things happen at the local level, are programs like the relending program, the 1 percent money; the RBAG, RBOGs, IRPs, those sort of creative things that allow them to have tools that help local companies that we just can't get to with our limited resources. So that is the lifeblood for a lot of those local development organizations.

We're also very happy that Rural Development's taking a lead in something I chair in the state on rural and broadband deployment with your broadband programs. And we

hope that other states can learn from a new demonstration grant we just received to create in the state, in the four poorest counties. We're calling them 'high-speed heroes.' We're specifically looking at microcompanies in the poorest areas to make them really leading globally-competitive using broadband with Rural Development's help.

So I missed all your other recommendations and suggestions. I just want to let you know that something works really well, and that's Rural Development in New Hampshire. Thank you.

[Applause.]

MODERATOR: Thank you. You can tell he's practiced because that was two minutes. Yes, sir.

MR. HENRY AHERN (sp): My name is Henry Ahern, and I'm from Plymouth, New Hampshire up in Grafton County. I'm here representing myself. I raise deer. So we're the alternative livestock, and also I'm here representing the Northeast Deer and Elk Farmers Association.

A few things that are kind of roadblocks to us that I'm going to try and answer the questions for opportunities and also how we get farms to continue to be farms. One of the biggest roadblocks that we have in the livestock industry is both the lack of slaughter facilities and lack of processing slaughter but also a lot of the rules and regulations which are very expensive from USDA to either start a new slaughter facility or do some innovative ideas in the development of slaughter facilities for the whole region. I think it's very important that we be included, that there be some funding available to help us get both through the regulations and through the slaughter. That would help a lot.

I will also offer my support for the EQIP programs. They are great for the farming industry. Also funding NRCS and FSA. I would be hard-pressed to operate my farm, not a multigeneration farmer though it was my grandparents' farm. But what I'm doing is something new. Without their help and assistance.

Also the co-op extension. When I first started the co-op extension was instrumental in getting us the information we need, and they continue to be instrumental with soil samples, feed recommendations, planting recommendations, soil recommendations. The loan programs from FSA also are instrumental in getting young farmers the financial capital and ability to start farms and save the family farms that may be overgrown because they've stopped raising dairy, but they need some other type of system like alternative livestock or family truck farm. Thank you very much for coming. I appreciate you being here.

MODERATOR: Thank you, sir.

[Applause.]

Yes, ma'am.

MS. KELLY COLEMAN: Hi. My name is Kelly Coleman. I'm from Greenfield, Massachusetts. And I wanted to talk --

MODERATOR: Welcome to New Hampshire.

MS. COLEMAN: Thank you. I grew up in Vermont, so this is just across the border here. Let me see. I am a program coordinator right now, with Community Involved in Sustaining Agriculture, which is a nonprofit based in western Massachusetts that works on 'buy local' campaign. I want to speak a little bit about the importance of direct market and value added processing for farmers as a way to increase markets and farm economic viability.

I want to echo the importance of farmers markets and support for farmers markets through the WIC and farmers market nutrition, senior farmers market nutrition program and encourage the next Farm Bill to think of more creative ways to encourage spending at local farmers markets and direct marketing opportunities for farmers and increase the WIC and farmers market nutrition program which is certainly important to our farmers.

I want to encourage more spending on local processing facilities, community kitchens, and slaughterhouses as well. And I'd also like to, as an aspiring farmer, want to encourage you to continue the conservation programs and provide additional funds to help new and transitioning farmers develop business plans and make initial investments in land.

And finally I recently finished up a masters degree in environmental policy and management for the school of forestry, and part of my research there was on the Forest Legacy program which through our research we found it's an excellent program. And one of the challenges that will be coming up that I think 2007 Farm Bill should address is that of stewardship, providing funds to help managers of the land steward both farm and forestland, because as farmers are getting older that land is going to transition either to new generations of new farmers or other landowners. Stewardship is going to be an important component to maintaining the essence of that conservation.

And my last thing is I'd like to encourage you to consider, to think about including smaller acres of land in some of your conservation and cost-sharing programs. My ideal farm would be under 10 acres, and as it stands there are many programs and certainly without cutting up an existing piece of conserved land it would be difficult to get that acreage with USDA and Farm Bill help. Thank you.

[Applause.]

MODERATOR: Before I go to this gentleman, let me say I know we've been focusing on six questions although I think I've heard comments outside that box. Let's open it up to any comment you want to make, any general comment about the Farm Bill

or about agriculture, forestry, you name it. Make your way up to the microphone and we'll listen to you. Yes, sir.

MR. JOHN HUDSTON (sp): John Hudston from Meredith, New Hampshire, up north in the lakes region. I grow vegetables, small fruit, high bush blueberries, Christmas trees, and managed forest. Also I'm a sixth-generation farmer on that farm, seventh in Meredith.

As we're looking towards the '07 Farm Bill, let's look at some of the problems of the past. In particular the '85 Farm Bill. New Hampshire was a big loser along with the rest of the Northeast and some others. It was called "targeting." The idea was that this money will be diverted out to the big commodity states to be spent there to correct some of the problems they had, and it was temporary. We never have recovered from that. NRCS has went down to about half of what it had before '85. And they've come back a little bit.

We've got to consider other things in farming. The fruits, vegetables, specialty crops, livestock, not just the big commodities of the place to sink the money.

We are under increasing environmental pressure here as well as elsewhere. I would like to stress that with incentives, education, cost-share money you get much more bang for the buck than you do with top-heavy, one-size-fits-all regulation.

About research, research is what made us great, innovation, a leader in this country. We do need more funds for the program funds for the university. Also you need to adequately fund the competitive grants for agriculture program. Thank you.

[Applause.]

MODERATOR: Important point he made about research. Being high tech I believe in research. Good point. Yes, sir.

MR. SEAN LYON: Good morning. My name is Sean Lyon, senior grant writer and nurse practitioner with New London Hospital as well as the president of the Economic Corporation of Newport.

I have three simple points I'd like for you to consider regarding the Farm Bill. First is to give us a definition of what you see as actual unique needs of the rural farmer in New England. We recognize that the needs of the New England farmers are vastly different from the rest of the country, but we don't get that specific feedback so we could identify the scoring, the way in which we are going to go about supplying the services to those needs. And we'd love to have that specific feedback from you to start moving in that direction because we don't see that happening easily.

The second one is in the whole term of collaboration as well as regionalism. Dr. Stauber from the Federal Reserve is pushing for us to work with regionalism as well to

recognize the needs to look at a rural focus. When we see childcare as a huge need and we look at healthcare as a huge need, we have to identify the rural population as a commodity unfortunately, because that's the harsh reality.

People continue to move from the rural to the urban, and yet we don't see the education, the healthcare, and the services we provide as an upfront cost that helps make the urban population that much healthier. So we need the USDA to help us from that perspective so that your house is in order so that our house is in order, starting with the whole concept of collaboration.

In this state Governor Benson put in an executive order so we had to have collaboration of homeland security and other departments when the funds were coming in. We need that same level of scrutiny that's happening with the USDA so that we can once again get on board and know exactly what the rules are going to be upfront.

Additionally, in terms of collaboration we would like to see some scoring benefits to those organizations that are going to take on collaboration as a part of the systemic change that we are looking at. So when we look to collaborate and develop sustainability rather than just a shot in the dark to get your money, we would love to be able to have some scoring benefit to that so you can see we really are staying around for awhile.

Critical access hospitals need to be recognized that capital improvements need more funding and support because of where the Hilburton funds have disappeared from the 1950s etcetera. Thank you, and I wish we could have more of a discussion relative to the whole concept of regionalism as well as collaboration.

MODERATOR: Thank you.

[Applause.]

Yes, sir.

MR. WAYNE MANN: Good morning, Mr. Secretary. Thank you for being here. I'm Wayne Mann, the president of the New Hampshire Farm Bureau Federation. My wife and I operate a diversified farm in Canterbury. I just want to reinforce several things that have been said this morning.

We continually hear from our membership that the adequate funding and manning of Cooperative Extension is vital to their farming operations. Funding for 4-H and the Perkins Act and vocational agriculture is an investment in the future. And vital to the future of New Hampshire agriculture. It's already been mentioned that we have a dearth of large animal veterinarians in the state. We have a fairly health livestock industry, so funding the Farm Bill for that veterinary education is important.

It's already been mentioned slaughterhouse availability -- we only have one

USDA-inspected slaughterhouse in the state. Myself personally, I take my animals to Massachusetts, and if I called today I'd have an appointment in January. I suspect we have a number of customs slaughterhouses, but I suspect the cost and regulatory hurdles to get USDA approval is what's hindering them from becoming USDA-inspected.

With that I will just make an observation that I suspect two of the gentlemen on the podium are Farm Bureau members, and we'll work on Fred.

[Applause.]

MODERATOR: I'll be glad to go back to that farm where I used to work. It's still there, and get reinvented in agriculture again. You've got a great profession. Yes, sir.

MR. MARTIN CONNOLLY: My name is Martin Connolly, and I'm just retired, and I'd like to represent my three sons and their beautiful brides they just brought home from traveling around the world. My three sons have taken over our family farm, and their biggest barrier in the Monadnock region is in the rules that pertain to conversion of forestlands into productive agricultural lands. There are many rules and laws in place that create a large hindrance in doing this.

New Hampshire, as everybody said before, is about 84 percent forested. In our area, which is very urban, the productive farmland is being blacktopped and used for development. The only lands that are left are these submarginal, marginal forestlands. We would like to see a loosening of these barriers by the Department of Agriculture so that they can be converted once again to productive farmlands.

This then in turn would create a ripple effect throughout the economy, not only in the Monadnock region but through the North. Forest products, new jobs, etcetera. We're not asking for any money. We don't represent, I don't represent any group. Just a loosening of those barriers and laws so that we can convert old, what used to be farmlands into production again.

Thank you.

MODERATOR: Thank you.

[Applause.]

Anybody else want to say anything about farming, agriculture, forestlands? Yes, sir.

MR. PAUL BRADLEY: Good morning. My name is Paul Bradley with the New Hampshire Community Loan Fund, a nonprofit organization here in the state of New Hampshire. Thank you for your time. I just want to take one minute to speak to and openly value USDA's commitment to cooperatives as an economic mechanism for building value and enhancing community in rural communities.

We use the cooperative model to help homeowners in manufactured housing communities buy their communities or parks as cooperatives. And in doing so we are resolving what remains a significant issue for these folks, failing wastewater and water systems which USDA has made a commitment to, and by identifying cooperatives as an eligible borrower in that program has gone about resolving a tremendous amount of what is a quiet problem for many but a large problem for a rural manufactured homeowners, failed water and wastewater systems.

I also appreciate that in the 502 program a direct loan program that cooperatives are an eligible community for 502 lending, it's really from my perspective the best mortgage program for low and moderate income homeowners in the country, and I appreciate that cooperatives are identified there.

And it's worth noting that the rural cooperative business program of Rural Development is actively seeking to expand cooperative ownership in rural communities around the country and specifically around manufactured housing. We're just deeply grateful for the department's support and hope it continues. Thank you very much.

MODERATOR: Thank you.

[Applause.]

Yes, sir.

MR. CARL BARTLETT: Yes. My name is Carl Bartlett. Fred, little nomenclature, Jamie Robertson is an established dairy farmer. Steve Taylor's an old farmer. (audience laughter)

I am a product of the land grant university education system. I have an undergraduate degree from Cornell and a graduate from UNH. As I was sitting here today--and I have a career in agricultural sales. As I was sitting here today I was considering the enormity of USDA's various programs and responsibilities. And it dawned on me that there's all kinds of bits and pieces to advocate for. But the bottom line, for the sake of the country and for the sake of agriculture's future, is in the land grant university system and their operating arm, the Extension Service. I don't think there's anything more important you could take back from this meeting than to know those services are essential.

Thank you.

[Applause.]

MODERATOR: Thank you. Yes, sir.

MR. RICHARD FROST: Hi. I'm Richard Frost from Ryegate, Vermont. I'm

president of Northeast Deer and Elk Farmers Association. I'd just like to say please remember the alternative forms of agriculture in the bill. There are a lot of programs out there that we can't use because they're for beef or dairy. Remember us in the research and maybe expand some of these programs so we are included in the future and that our industry can grow and thrive in the United States. Thank you.

[Applause.]

MODERATOR: Anybody else want to talk, make comments? Anybody have any good jokes, humorous stories about farm life, agriculture, forest life? No? Okay. We're going to end a little early then, but before we wrap this up I think it would be worth hearing from Steve Taylor and Under Secretary Dorr about what they've heard this morning and get their thoughts on what they've heard that they're going to take back to their offices. Steve Taylor?

COMMISSIONER TAYLOR: I think the ranking we've heard, it's pretty easy to do, extension of the university's role. Everybody seems to place that at or near the top. Equity for New Hampshire in terms of allocation of federal dollars, seep through a whole bunch of different points that have been made. The need to look at forestry and agriculture as an integral industry.

New Hampshire's only viable resource base, economic activity is unique-- not only provides jobs, employment, but imparts many public benefits with wildlife protection, habitat, watershed, all these other values that are very important to the nonfarm public. And then a whole series of issues that I know are going to be contentious when they reach Congress in 2007 about the degree of the federal commitment in conservation programs that remedy nutrient management issues, those kinds of things.

Surprising to hear and I'm sure the Secretary will say he goes to Iowa or Arkansas it's a little bit different, but I don't hear a heck of a lot about the trade issue. We focused here on we don't have enough production for our own indigenous population. And we sense that's where the opportunities lie primarily -- direct marketing, farmers markets, farm stands, value added activity. Those are really the future of New Hampshire agriculture buoyed by the remainder of our dairy industry and (unclear).

I think we got an excellent representation of the concerns that the people in the agriculture community have, forestry community, and I think probably the Secretary will say it's really different in the Northeast.

[Applause.]

UNDER SECRETARY DORR: Well, it is clearly different in terms of the last 30 or 40 years of production agriculture in the Northeast versus Middle West and the commodity programs. The thing that's been most fascinating about these Farm Bill sessions is that there is a fairly consistent level of emphasis. You've highlighted a

number of them. There's a focus on research, support for the land grant system. But there are regional themes that come through and then there's some other of anecdotes that are now beginning to pop through as well.

Regional themes clearly become forestland management issues and the approach to those. It becomes a very serious interest in the area of farmland protection and nature conservancy and protection programs. Farmers markets are becoming much more than just sustainable farm nuanced issues. It's a clear recognition that there's a substantial amount of economic opportunity surrounding those as well as the ability to then generate the kind of support for these rural communities with the kind of income that needs to support these rural communities.

I would hasten to add, I think it's important to point this out, clearly I'm a partisan but I think we have perhaps one of the most outstanding heads of the Natural Resource Conservation Service and advocates for the Forest Service and forestland programs that we've had in this country in a long time in Under Secretary Mark Rey.

I did not know Mark Rey before he got involved in this Administration, but he's truly a remarkably insightful and very effective guy. So I think those of you who are really concerned about how these forests are managed and how we control the development of them have a real advocate and an intellectual that's capable of dealing with the issues I think in a way in which you want.

The thing that probably struck me as much as anything, and I was telling the commissioner and a couple of others at the break, about a week and a half ago I spent some time at a minority farmers listening session in Little Rock, Arkansas. The host, if you may, was a former assistant secretary of agriculture fellow by the name of Dick Bell back in the Nixon administration in 1975. He was an ag economist out of the University of Illinois, very traditional Midwestern ag econ background, bright guy.

I've known Dick for many, many years. He was the guy who put the trading agreements together that effectively helped put in place the original Russian grain sale. After he left the administration he went to Stuttgart, Arkansas and became the CEO of Riceland Foods and developed a very persuasive, effective global marketing strategy for the rice that's produced in that part of the world.

He retired about a year, year and a half ago. The state of Arkansas did not have a Secretary of Agriculture. They had a board system of sorts. And they essentially decided they would combine this under one secretary. The conversation I had with him a week and a half ago, as he's pulling all this together and had a chance to reflect on what he's done and what he's now seeing over the years, he said I'm going to have four emphases while I'm serving as the secretary of agriculture.

First one is going to be women in agriculture. He said, we completely missed that boat in ways in which we should not. The second one he said is going to be a focus on farmers markets. A third is going to be looking at renewable energy and renewable

energy opportunities. The fourth he said is to look at the value and role that small niche farms can play.

Bear in mind this is a gentleman who came from the international world trade global market, the big go-go years of the mid '70s and early '80s. Secondly, the entire eastern half of Arkansas is the Delta. It's major cash and commodity cropland. So to have someone of that character and background start discussing those sorts of things would suggest to me there's a lot of introspection going on for that.

In conclusion I'd thank all of you because I do think there's more of a theme consistent with the things I'm hearing here today running through this across the country, the issues of how young people get started in farming, how you sustain rural communities in ways that benefit from the value. Last evening I and a couple of staff had an opportunity to travel down Elm Street and eat dinner here on Main Street. We made the observation that in many respects people really are getting worn out with all the malls. They do love the rural towns and the main streets, that sort of thing.

So I do think our productivity gains, our economic successes for better or worse are also enabling us to reflect and reconsider how we deal with rural and rural America. These are going to be very important sessions in getting us the kind of information and providing the kind of foundation for a longer-term discussion that I think will be hopefully responsible for building a consensus to involve new thoughts and processes in the new Farm Bill as we go about.

I again thank all of you for taking the time out of your day to come here, join us, with Commissioner Taylor and your congressional delegation and many of their representatives and hope we can see this through in a way in which reflects all your desires and at least builds a reasonable consensus. So thank you very much.

[Applause.]

MODERATOR: Thank you, Under Secretary Dorr, for being here and for listening. That's a big deal. And thank you, Commissioner Taylor. And I want to thank Jolinda LaClair and Robb Thomson in particular for guiding me into this chair today. They've been a great help, and you're lucky to have them in your community. With that, we'll wrap this up. And thank you very much. It's been an honor for me to be here.